

E-002/M-88-253 APPROVING EXPANSION OF LIGHTING EFFICIENCY IMPROVEMENT
PROJECT AND INCREASING PROJECT BUDGET

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of an Energy Conservation
Improvement Program for Northern States
Power Company Electric Utility

ISSUE DATE: February 27, 1989

DOCKET NO. E-002/M-88-253

ORDER APPROVING EXPANSION OF
LIGHTING EFFICIENCY IMPROVEMENT
PROJECT AND INCREASING PROJECT
BUDGET

PROCEDURAL HISTORY

On October 14, 1988 the Commission issued its Order Approving Conservation Improvement Program and Requiring Additional Filings in the above-captioned matter. That Order established a Conservation Improvement Program (CIP) for Northern States Power Company Electric Utility (NSP or the Company) for the 1988-89 CIP year. One of the CIP projects approved in that Order was the Lighting Efficiency Improvement Project.

On January 20, 1989 the Company filed a proposal to expand the Lighting Efficiency Improvement Project to include rebates on fluorescent lighting reflectors. The Company also requested a \$298,750 budget increase, to reflect both the costs of the reflector rebates and higher levels of participation in the project than anticipated.

The Department of Public Service examined the filing and recommended approval of both requests.

FINDINGS AND CONCLUSIONS

Project Expansion

The Lighting Efficiency Improvement Project provides cash rebates to commercial, industrial, and farm customers who install high efficiency lighting equipment. Rebates are currently offered on a wide range of equipment, from individual high efficiency fluorescent lamps to entire lighting systems.

The Company proposes to expand the project to include rebates on lighting reflectors, mirror-like devices installed in fluorescent fixtures to increase their lighting efficiency. Reflectors typically reduce the number of lamps required by up to 50%. The amount of the proposed rebate would be \$40 per kW of demand reduction or half the cost of the equipment, whichever was lower.

The Company proposes a budget of \$93,500 for the reflector rebate portion of the project and estimates that reflector rebates would result in an annual demand reduction of 1,700 kW.

Lighting reflectors have substantial conservation potential, especially for commercial customers, whose lighting costs are often the major portion of their electric bills. Reflector rebates will therefore result in immediate, significant energy savings. They will also serve an educational function by promoting lighting reflectors, which are not in general use in NSP's service area. The Commission will approve the project expansion proposed by the Company.

Budget Increase

The Company also proposes to increase the remainder of its Lighting Efficiency Improvement Project budget by \$205,250, because participation levels are exceeding original estimates. The Commission recognizes that original budget figures were necessarily based on estimated participation levels and views higher participation as a positive development. Increased funding will be approved.

ORDER

1. The Company's proposal to expand the Lighting Efficiency Improvement Project to include rebates for the installation of lighting reflectors is approved, at the proposed expansion budget of \$93,500.
2. The Company's proposal to increase the budget for the remainder of the Lighting Efficiency Improvement Project by \$205,250 is approved.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)